Advisory Committee on
Local Election Financing

Report of the Advisory Committee on Local Election Financing

July, 1990

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SASKATCHEWAN

Advisory Committee
on Local Election
Financing

c/o Urban Affairs Department
Government of Saskatchewan
2151 Scarth Street
Regina, Saskatchewan
S4P 3V7

July, 1990

Honourable Patricia A. Smith
Minister of Urban Affairs
Room 303
Legislative Building
Regina, Saskatchewan
S4S 0B3

Dear Madam:

We have the honour to submit the Report of the Advisory Committee on Local Election Financing in accordance with a Minister's Order dated February 22, 1990.

The Committee recommends that legislation be passed to regulate the financing of local elections in urban municipalities (cities, towns and villages), northern municipalities and school divisions.

In addition, the Committee recommends new legislation to regulate advertising expenditures by local governments themselves in plebiscite campaigns and advertising by third parties in local elections.

The Report also contains recommendations on two related issues - the number of names required on local government nomination forms and the question of monetary deposits by candidates in local elections.

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The Committee believes that the recommendations, if implemented, will help ensure fairness and accountability in local elections thereby enhancing local democracy in Saskatchewan.

The Committee's goal has been to propose a simple set of rules to govern local election finance and related matters that will be easily administered and easily understood by, and acceptable to electors, candidates and the general public.

Respectfully submitted,

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Sask. Urban Affairs

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Saskatchewan Urban Municipalities Assoc. (S.U.M.A.)

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PREFACE

On February 22, 1990, the Minister of Urban Affairs, the Honourable Patricia A. Smith, appointed the Advisory Committee on Local Election Financing by Minister's Order.

1. Makeup of Advisory Committee

The membership of the Committee was broadly based -- members included representatives of municipalities, boards of education, local government administrators and others, as well as two public representatives.

The Committee was comprised of the following individuals, representing the organizations and the public as listed below:

CHAIRPERSON

Keith Schneider
Assistant Deputy Minister
Saskatchewan Urban Affairs

MEMBERS

Alderman Ted Cholod
President
Saskatchewan Urban Municipalities Association (SUMA)

Dayle Norman
Executive Member
Saskatchewan School Trustees Association (SSTA)
and Member of the Saskatoon Board of Education

Garry Gelech
President
Urban Municipal Administrators Association
of Saskatchewan (UMAAS)

Janice Mann
Saskatchewan Association of City Clerks and City Clerk,
City of Saskatoon

D. A. (Del) Robertson
Second Vice-President
Saskatchewan Chamber of Commerce

Pauline Duncan
Public Representative

Kenneth G. Love
Public Representative

Michael Littlewood
Director, Board and Teacher Services Branch
Saskatchewan Education

James D. Anderson
Manager, Policy and Legislative Services
Saskatchewan Urban Affairs

SECRETARY

Vonda Croissant
Administrative Assistant
Saskatchewan Urban Affairs

2. Mandate of the Committee

The mandate of the Committee is set out in a Minister's Order of February 22, 1990 and in the text of a letter from the Minister to Committee members dated January 4, 1990. In her letter, the Minister instructed the Committee:

a) to review the desirability and feasibility of new legislation to regulate election financing in urban and northern municipal and school division elections in Saskatchewan;

b) to review the relevant legislation of other jurisdictions including the municipal election financing legislation of other provinces and the legislation relating to the financing of provincial and federal elections;

c) to review in particular:

i) limits on election expenditures;
ii) limits on election contributions;
iii) disclosure of sources of election funds;

iv) auditing of election expenses statements;
v) reimbursement of election expenses and contributions; and
vi) enforcement and penalties;

d) to consider the desirability and feasibility of:

i) restricting election-related advocacy advertising financed by elected local governments and other third parties;
ii) instituting deposits by local government candidates; and
iii) increasing the number of signatures on nomination forms.

The Minister's letter then indicated that the recommendations of the Committee would be reviewed by the government in preparing any subsequent proposed amendments to local election legislation.

3. Committee Procedures

The Committee held four meetings between February 22 and June 13, 1990.

Given the short time remaining until the 1991 province-wide local elections, a Report was required as soon as practicable. The Committee felt, therefore, that other forms of public consultation were not feasible. In addition, several interest groups, including SUMA, had made their views known to the government in the form of resolutions and correspondence before the Committee was established. Some of the requests for legislative change by these groups are mentioned below.

4. Calls for Reform

a) Election Financing

At its 1989 convention the Saskatchewan Urban Municipalities Association (SUMA) passed the following resolution:

> **BE IT RESOLVED that SUMA endorse the principles of expenditure guidelines, limitations on campaign contributions and disclosure of sources of funding by all candidates for municipal elected office.**
> **BE IT FURTHER RESOLVED that SUMA request the province to enshrine these principles in legislation similar to that enacted in Ontario, before the next municipal election.**

AND BE IT FURTHER RESOLVED that this requested legislation only apply to Saskatchewan cities whose population exceeds 100,000 people.

While the above resolution was passed by the SUMA plenary session, the "cities session" of the same SUMA convention had earlier approved an amendment requesting that local election expenses legislation be extended to urban centres over 25,000 population (i.e., Saskatoon, Regina, Moose Jaw and Prince Albert).

At its 1989 annual meeting, the Saskatchewan Chamber of Commerce passed the following resolution:

The Department of Urban Affairs should amend The Urban Municipality Act, 1984, and The Local Government Election Act, to prohibit municipalities from advertising 45 days prior to a municipal election. In addition, guidelines should be issued by the Department restricting municipalities in advertising or presenting an "information campaign" to influence the outcome of plebiscite votes or money by-laws. Municipalities should also be limited to presenting their facts, without editorial comment, and that there be no attempt to influence by weighing those facts.

The above resolution was apparently prompted by the advertising related to the 1988 plebiscite in Regina on a proposed 10 per cent reduction in property tax.

b) Candidates' Deposits and Number of Signatures on the Nomination Form

At its 1989 convention, SUMA passed the following resolution:

BE IT RESOLVED that with respect to urban municipalities with a population of 25,000 or more, the provincial government be requested to amend The Local Government Election Act:
A. TO PROVIDE for suitable deposits by candidates seeking election as mayor or councillor of a municipality to be $100 in the case of candidates seeking office as councillor, and $200 in the case of candidates seeking office as mayor.
B. TO INCREASE the number of signatures required on a nomination for the office of mayor or councillor to 25.

C. TO PROVIDE for the forfeiture of the deposit in the event the candidate fails to receive 20 per cent of the votes cast for the winning candidate in the case of only one person attaining the office from a single electoral area, or 20 per cent of the average number of votes cast for the winning candidates in the case of more than one person attaining the office from the same electoral area.

The proposals to require candidates' deposits and to increase the number of signatures required on the nomination form in local elections have been discussed periodically in Saskatchewan provincial-municipal meetings. It has been noted that financial deposits by candidates are required at the federal and provincial level and that a greater number of signatures are required on the nomination form in federal and provincial elections as well as in local elections in some other provinces.

A report of the City of Regina, prepared after the 1988 city election, mentioned that increasing the requirement for five signatures on a nomination form might reduce the large number of names on some city ballots.

Appendix I summarizes the deposits required of candidates in other jurisdictions while Appendix II sets out the number of signatures required on nomination forms in federal and provincial elections and in elections held in a number of local government systems in Canada.

5. Local Election Financing in Other Provinces

The relevant legislation of other provinces on local election financing is set out in Appendices III, IV and V.

EXECUTIVE SUMMARY

Local elections are important events. Municipal councils and school boards manage significant resources and make policy decisions that have major impact on the lives of the people they represent. It follows that local elections should be fair and seen to be fair.

Among the principles adopted by the Committee were the following. Elected local leaders should be accountable to their voters, not to those who might contribute large or anonymous campaign contributions. The cost of municipal and school elections should not be beyond the reach of Saskatchewan citizens of ordinary financial means. Because candidates for local government office in many instances have to rely on financial contributions from other individuals in the community, it is important that this financial support be derived from as broad a population base as possible. Limitation of both election expenditures and contributions as well as disclosure of large donations are necessary to ensure this fairness.

The financing of federal and provincial elections in Canada have for some time been regulated by law. More recently, provincial governments have begun to pass legislation regulating local election financing. Quebec, Ontario and Manitoba have such legislation and the Saskatchewan Urban Municipalities Association (SUMA) has requested this type of law be passed in this province. The Committee accordingly recommends that Saskatchewan become the fourth province to enact such legislation.

The Committee was instructed by the Minister of Urban Affairs to review the matter of election financing in urban municipalities, northern municipalities and school divisions. These elections are now subject to The Local Government Election Act. Elections in Saskatchewan's 298 rural municipalities are governed by The Rural Municipality Act and are not within the scope of this Report.

In addition to the issue of campaign financing, the Committee was instructed to examine the issues of advertising by councils in plebiscites; advertising by third parties in local elections; whether local candidates should be required to make election deposits and the appropriate number of signatures for nomination forms. Accordingly, the Committee has made a series of recommendations which may be highlighted as follows.

While criticism of excessive spending in local election campaigns has been directed mainly at large city campaigns, strongly contested campaigns stimulating significant expenditures can occur in school divisions and small municipalities as well. **Therefore, the scope of the proposed legislation should extend to all urban and northern municipalities and school divisions.**

To ensure a diverse and widely dispersed base of election finance, it is necessary to establish a limit on election contributions. This ceiling must be low enough to result in a broad base of support, yet high enough to permit a reasonable level of campaigning consistent with costs of advertising and other election requirements. **A limit of $500 on individual campaign contributions is recommended, to be adjusted periodically to account for inflation.**

Anonymous contributions should be limited in amount and restricted to fund-raising events only. Any surplus funds received by candidates in excess of lawful expenditures made in the campaign should be turned over to the municipality or school board.

The Committee came to the view that contributions from corporations and trade unions, traditional sources of election funds, should not be permitted to eclipse the support of individual donors. **Corporations and trade unions therefore should be limited to the same contribution ceiling that applies to individuals ($500 per candidate).**

At the heart of the Committee's recommendations is the proposed limit on local election expenditures. In this regard, the position of mayor, particularly in Saskatchewan cities, has greater public visibility and impact than that of other municipal council members, despite the fact that the mayor's legal authority is similar to that of any other member of council. Hence, a higher expenditure limit for mayor is justified. In school board elections there is no contest for chairperson of the board. He or she is selected after the election by and from members of the board.

No distinction is proposed between the ceiling for alderman (councillor) and school board member. Both serve the public in important local elected offices. As Appendix VI indicates, the expenditure limit for mayor is somewhat lower than the comparable limit in the legislation of other provinces while the limit for alderman is significantly less than that of these other jurisdictions.

The proposed expenditure limit for mayor of cities is a $2,000 basic amount and $0.30 per capita while for a mayoralty candidate in all other urban and northern municipalities the proposed limit is a $1,000 basic amount plus $0.30 per capita. For alderman and members of all other municipalities and school boards, the proposed limit is a $1,000 limit plus $0.15 per capita. These limits should be reviewed regularly and adjusted to keep pace with inflation.

Because of the scale of local government in Saskatchewan, the Committee expects that the vast majority of candidates for municipal and school board offices will raise and spend less than $1,000 in any given campaign. It would be unwise to impose a

complicated system of reporting and auditing of election expense statements on these candidates. **Therefore, the Committee proposes that candidates that raise and spend less than $1,000 in running their campaigns only be required to submit a simple affidavit declaring that they did not receive or spend more than this amount.**

Disclosure of campaign contributions is essential to the regulation of election expenses and to maintaining public confidence in these elections. **A standard disclosure rule is proposed, requiring candidates to disclose the name, address and amount contributed by those who donate $100 or more to a campaign.**

The Committee sought to avoid proposing a costly centralized process for reviewing election financing statements and initiating enforcement proceedings where irregularities occur. Following the standard procedures relating to conflict of interest enforcement in The Urban Municipality Act, **the Committee proposes that any citizen may initiate legal proceedings by complaint to a judge who would determine if a breach of the legislation has occurred and where so determined would apply appropriate penalties.**

The Committee reviewed the matter of municipal councils advertising for or against particular proposed bylaws in plebiscite campaigns and concluded that it is unfair to use the power of the public purse in this manner. Not only is it a misuse of public funds, but it can introduce a distinct bias into the campaign, favouring the positions of some candidates and serving to discredit the platforms of others. **Therefore, the Committee proposes that the legislation prohibit the expenditure of public funds on advertising/publicity during plebiscite campaigns except for purposes that are of a strictly informational or emergency nature.** The related matter of third party advertising was addressed. Here the Committee proposes that **third party advertising that directly supports or opposes local candidates during election campaigns be prohibited.**

Finally, the Committee examined the Saskatchewan Urban Municipalities Association's request that in cities over 25,000 in population, a financial deposit be required of candidates and that the number of signatures on the nomination form be raised from the current requirement of 5 to 25. **The Committee proposes an increase from 5 to 25 in the signatures on nomination forms in Saskatchewan cities only. Further the Committee suggests that the proposed legislation continue to permit candidates to seek office without submitting a financial deposit.**

A. LOCAL ELECTION FINANCE

Introduction

Eight years have passed since local election legislation respecting urban municipalities, northern municipalities and school divisions in Saskatchewan was last revised in a major way.

At that time, in 1982, urban and northern municipal election legislation, together with school division election law, was consolidated into a new statute, The Local Government Election Act. This Report is concerned only with local elections subject to this Act - i.e., elections in urban municipalities (cities, towns, villages), northern municipalities and school divisions.

Elections in Saskatchewan's 298 rural municipalities are governed by the election provisions of The Rural Municipality Act. Rural municipal elections under this Act are not within the Committee's terms of reference. Consequently, they are not dealt with in this Report.

Guiding Principles

Local elections should be fair and seen to be fair. Local elected representatives must be accountable to their voters. They should be unhindered by cross-loyalties to those who would make substantial and anonymous campaign contributions.

Each elector should have the opportunity to contribute financially to local candidates secure in the belief that no individual or organization will be permitted to eclipse his or her donation with large contributions. Each local resident should likewise have equal opportunity to seek local elected office and to convey a political message to the public. Candidates should not have to possess great personal wealth or to rely on supporters who have substantial financial means.

Candidates for local office also should be required to disclose financial contributions to their campaigns. Disclosure serves three essential purposes. First, it is critical to the monitoring and enforcement of election expenses limits and ceilings on contributions. Second, disclosure allays public concerns that candidates are trading political favours for large or anonymous contributions. Third, by raising public confidence in the election process, disclosure rules help to broaden the base of local election financing.

1. Is Local Election Financing Legislation Needed?

The Committee first turned its mind to the question, "Is legislation needed to regulate local election financing in Saskatchewan?" The principles set out in the introduction above suggest that such legislation is required in Saskatchewan municipalities and school divisions.

Laws governing the financing of federal and provincial elections have become a standard feature in Canada. Three provinces -- Quebec, Ontario and Manitoba -- have passed legislation regulating the financing of local elections.

In Saskatchewan, the Saskatchewan Urban Municipalities Association (SUMA), the Saskatchewan Chamber of Commerce and individual municipalities have advocated such legislation. And in the aftermath of some highly competitive local campaigns, concerns have been raised about excessive spending.

Accordingly, there is clear momentum across Canada for such legislation and in Saskatchewan there is also a desire for legislative action on the part of urban municipal representatives and other groups. Underlying this trend is a genuine concern for a healthy local democracy.

Therefore, the Committee recommends that

> **Legislation should be passed to regulate local election expenses in Saskatchewan.**

2. Scope of the Legislation

Criticism of excessive spending in some local election campaigns in Saskatchewan has been directed largely towards contests for city councils. However, strongly contested campaigns that may stimulate significant expenditures, occur in municipal elections in some towns and villages and in school division elections as well as cities.

Because of the importance of local governments in their role of policy making and managing significant resources, all local elections are important events. No less than municipal councils, boards of education of school divisions wield significant and autonomous decision-making authority at the local level. Spending limits, disclosure and related rules help ensure fairness in local elections. These rules, therefore, should apply to campaigns in all local governments -- as they do at the provincial and federal level.

As stated in the Introduction, local elections in rural municipalities in Saskatchewan are governed by the election provisions of The Rural Municipality Act. The Committee's mandate extends only to local elections subject to The Local Government Election Act -- that is, to urban and northern municipal elections and to school board elections. Nevertheless, the Committee is of the view that election financing legislation should also apply to rural municipal elections in Saskatchewan. The government may wish to initiate discussions with rural municipal representatives to this end.

The Committee considered the concern that local election finance regulation might place an administrative burden on small municipalities and school divisions and that it might discourage residents from running for local office. The Committee did not find these arguments compelling. The experience of Ontario, where candidates for all local elected bodies who raise and spend no more than $1,000 need do little more than sign an affidavit to this effect, demonstrates that it is feasible to extend the legislation to all local elections governed by The Local Government Election Act.

There should be one exception. The Committee considered, but rejected, the notion of recommending that local boards of trustees of school districts be subject to the proposed legislation governing election financing. Local boards of trustees are significantly different from boards of education of school divisions. They, unlike boards of education, are elected bodies linked to specific schools in rural school divisions. While these boards are elected under the provisions of The Local Government Election Act, they act in an advisory role only to the board of education for a school division. They are not corporate bodies, they have no taxing authority, do not enter into contracts, do not hire teachers or other staff and do not make decisions of a fiscal nature. In contrast, even the smallest village wields fiscal authority, determines land use matters and has considerably more local autonomy.

The Committee recommends that

> **The proposed legislation should apply to all urban municipalities (cities, towns and villages), northern municipalities and school divisions but should exclude local boards of trustees.**

3. Registration of Candidates

Proper monitoring of election expenses requires the determination of a period of time during which candidates are accountable for campaign contributions

and expenditures. The accepted rule is that candidates must register (with the local clerk) before accepting campaign contributions. The registration may occur at the time of nomination or within a stipulated period prior to nomination day.

In Ontario, that period is from January 1 in an election year to nomination day, whereas in The City of Winnipeg Act the period for registration is 120 days before election day. A stipulated period before election day is suited to the Saskatchewan system because resort village elections occur in July, while regular elections in other urban, northern and school jurisdictions take place in October. Similarly, by-elections may occur at any time.

Therefore, the Committee recommends that

> **Candidates should be required to register with local election officials during a period beginning 120 days before Election Day and ending on Nomination Day.**

4. Limits on Local Political Contributions

Local democracy is enhanced if election finances are derived from as broad a population base as possible. Large contributions from a few sources potentially allow a small number of donors to wield disproportionate influence.

A limit on individual contributions is therefore called for. Such limits are an integral part of local election finance legislation in all three provinces that have passed such legislation (Quebec, Ontario, Manitoba).

The ceiling, however, must be high enough to permit a reasonable level of campaigning. The contribution limit to any candidate is $750 in Quebec and Ontario. The Manitoba legislation delegates to the City of Winnipeg the authority to set its own limit. (Manitoba's legislation applies only to Winnipeg.)

It would not be appropriate to leave the expenditure limit to the discretion of individual local governments. That would result in a confusing patchwork of contribution limits throughout the province.

To encourage widespread financial participation, the Committee took the view that a limit somewhat lower than the other provinces should be established. Nevertheless, it would be possible, given the ceiling recommended below, for several contributors to provide an amount equal to all of the election expenses allowed an individual candidate in small communities or school divisions. This potential for a few contributors to wield influence with some candidates who

are elected in small centres is not great because the spending limit for a candidate in small centres is not a large amount and therefore would offer very limited potential for influence.

Checks and balances recommended elsewhere in the Report, such as disclosure and strict control of surplus funds also would serve as curbs on influence by donors over candidates in the situation outlined here. In addition, if the limits were not realistic, there would be a built-in incentive for contributors and candidates to circumvent the contribution limits set out in legislation.

The Committee noted that the recommended limit on contributions would be eroded by inflation over time. In this regard, Saskatchewan provincial election financing legislation contains an escalation formula. Rather than a formula, the Committee favoured periodic review of the limit and an adjustment to account for inflation as necessary.

The Committee recommends that

> **The limit on the aggregate amount of contributions from any contributor to any candidate for local office should be set at $500. This amount should be reviewed by the government before each general local election and adjusted as necessary to account for inflation.**

5. Multiple Contributions

The Committee was made aware of recent controversy in Ontario in the aftermath of local elections respecting multiple donations by individual contributors and corporations. In Ontario, there is no limit to the number of candidates to whom one may contribute; an individual contributor can donate up to $750 to any number of local candidates. However, Ontario officials are currently considering a limit for any single contributor. In Quebec, the global limit in local elections is one or more contributions totalling no more than $750 from any single donor.

It is recognized that some contributors will wish to support financially more than one candidate. Support can be shown by donating a portion of the contribution limit to two or more candidates. However, the Committee believes it would be normal and proper for many electors to support a group of candidates for council or school board and that each elector accordingly should be free to contribute up to the ceiling for each candidate.

This would not detract significantly from the objective of a widely dispersed and diverse base of election finance. Nor would it enhance in any major way the potential for undue influence over elected members by a few financial backers.

Therefore, it is recommended that

Each contributor should be permitted to contribute up to the $500 limit to each candidate for local office.

6. Contributions From Fund-Raising Events

A common issue addressed in legislation governing election financing at all levels of government is how to deal with contributions derived from fund-raising events. It is in the nature of these political rallies, dinners, coffee parties and the like that anonymous donations are made. While these functions generate revenue, they also cause the candidate to incur expenses.

These complications may be handled in a variety of ways. Ontario does not permit local candidates to accept anonymous donations over $10 from anyone attending the event -- i.e., large contributions must be made openly, duly recorded and a receipt provided. Quebec's law stipulates that funds collected at such events not exceed 20 per cent of the expenditures made by the candidate. Federal legislation declares that net revenue raised at these events is to be counted in calculating the expenditures of the campaign but that costs incurred in holding the function are not election expenses.

The Committee recommends that

The net proceeds from fund-raising events should be counted as election contributions.

No anonymous contribution over $20 per donor should be solicited at such fund-raising events.

Funds derived from these events should not exceed 20 per cent of the lesser of the total actual expenditures or the election expenditure limit of any candidate.

7. Anonymous Contributions

While small anonymous donations received at fund raising-events to a stipulated limit may be permitted, the Committee is of the view that it would defeat the purpose of disclosure rules to permit large anonymous donations.

Accordingly, the Committee recommends that

> **Candidates should be required to turn over all anonymous campaign contributions to the municipality or board of education, except those received at fund raising-events.**
>
> **Anonymous contributions received at fund-raising events in excess of $20 from any contributor, or 20 per cent of the lesser of total actual expenditures or the candidate's election expenditure limit, should be likewise remitted to the municipality or board of education.**

8. Who May Contribute

a) Corporations and Trade Unions

Political financial support should be dispersed widely throughout the community. Therefore, a strong case exists for restricting corporations and trade unions to the same limit on contributions as that which applies to individuals -- i.e., $500 to any candidate, with no limit on the number of candidates to whom a contribution may be made.

Corporations and trade unions are multi-member entities. It is by no means certain that these organizations always reflect the political preferences of their shareholders or members who may reside in many communities both within and outside Saskatchewan and whose political preferences are doubtless diverse.

It is worth noting that in Ontario, trade unions and corporations are restricted to the same limit on contributions as are individuals. In Quebec, only electors may make such contributions -- corporations and trade unions are prohibited entirely from doing so.

The Committee recommends that

Corporations and trade unions should be limited to the same contribution ceiling that applies to individuals -- i.e., $500 in the aggregate to any candidate.

b) Federal and Provincial Political Parties

Contributions to local government candidates by federal and provincial political parties are prohibited in Quebec and Ontario.

The Committee learned from Ontario government officials that this prohibition is intended in large part to prevent political parties from manipulating the tax credit rules relating to federal/provincial political contributions for the benefit of local government candidates. This practice involves encouraging donations to other levels of government where a tax credit may be obtained in return for a remission of a portion of the contribution to a candidate for local government office.

It must be noted that local political parties are active in most large urban municipalities in Quebec and that Quebec's legislation encourages this practice, providing for local tax credits for contributions to municipal political parties and reimbursement of a portion of a local party's election expenses. Also, party politics in local elections and local government is the accepted norm in England, France and many other countries where national parties are active at the municipal level.

Outside Quebec, public opinion in North America is either ambivalent or opposed to local partisanship. Ontario's legislation, for example, provides for an (optional) municipal tax credit for contributions to local candidates but not in respect of contributions to local parties.

It has been argued that local party politics helps structure campaigns and council deliberations on the basis of policies rather than personalities, thereby allowing electors to vote according to issues. Also, it is sometimes said that party politics at the local level would assist voters in holding council members accountable.

These views are weakened by the fact that local government does not operate on a parliamentary system, with a recognized government and opposition. The effect of party funding at the local level would be to bring federal and provincial issues into the local political arena.

Therefore, the Committee recommends that

Provincial or federal political parties should be prohibited from making financial contributions to candidates for local government office.

c) Outside Contributions

Other jurisdictions have had to come to grips with the issue of contributions from outside the community. Only bona fide electors may contribute to local campaigns in Quebec. In effect, this limits the source of election financing to residents of a given municipality, except for a minority of non-resident voters who enjoy the franchise by virtue of owning property in the municipality.

Ontario also has seen fit to limit the participation of "non-residents" in financial support of local candidates. Only Ontario residents and unions and corporations active in Ontario may make such contributions.

In Saskatchewan, non-residents may vote in urban and northern municipal elections if they own property in the municipality. In school division elections, only residents of the division may vote for the board. However, in no case can persons resident outside of Saskatchewan vote in these local elections.

In the view of the Committee, persons far removed from a particular municipality or school division in Saskatchewan would have little knowledge of the affairs of the local community. Local autonomy implies political control by local citizens. On the other hand, a candidate may have supporters, resident in Saskatchewan, who are neither electors nor residents of the municipality or school division but who would wish to contribute. It is not likely such non-local contributions would outweigh sources of financial support from within the boundaries of the municipality or school division respectively.

The Committee therefore recommends that

No candidate should be permitted to solicit or accept directly or indirectly contributions from any individual resident outside Saskatchewan, from any corporation that does not carry on business in Saskatchewan or from any trade union that does not hold bargaining rights for employees in Saskatchewan.

d) Use of Own Funds and Contributions from Spouse

In considering legislation regulating local election finance, it is necessary to deal with the sensitive issue of use of the candidate's own funds and those of the candidate's spouse. The Committee agreed that the rule set out in other local election legislation in Canada that places no restrictions on the amount a candidate may draw from his or her own funds up to the spending limit prescribed in the legislation is appropriate for Saskatchewan.

With respect to the contribution of the candidate's spouse, however, the Committee felt that the spouse should not be treated any differently from any other contributor. In this respect, the Committee's views differ from the local legislation of other provinces, where no distinction is made between the campaign funds provided by the spouse or the candidate.

The fact that The Matrimonial Property Act views marriage as an economic partnership would support the view that the spouse's contribution should not be limited except by the overall ceiling. The Committee, however, believes that by applying the same rules to the spouse as are imposed on other contributors, the risk of the spouse being used as a means of channelling funds to the candidate without disclosure of the transaction is minimized.

The Committee recommends that

> **The contribution by a candidate to his/her own campaign should not be limited except by the ceiling on campaign expenditure.**
>
> **However, the contribution by a candidate's spouse should be limited to the same maximum amount ($500) that applies to any other contributor.**

9. Surplus Contributions

Controversy has arisen recently on the issue of the use of surplus campaign contributions by local candidates in Ontario. As a result, the Ontario government recently indicated that legislative action would be taken to prevent the practice of local candidates retaining surplus contributions. Quebec's legislation requires independent candidates to turn over such surpluses to political, religious, scientific or charitable purposes or failing that, to the municipality. Candidates running on a party ticket in Quebec can remit surplus funds to the local party for use in the next election.

One option the Committee considered was to require the candidate to turn over the surplus to the municipal clerk to be held in trust for use in the next election. This is the procedure provided by Ontario's law in the limited situations where a bylaw has been passed providing for a local property tax credit to contributors.

The Committee also examined the question as to whether only contributions in excess of the spending ceiling should be defined as surpluses or whether the amount of funds collected in excess of actual election expenses should be considered a surplus. Given the ceiling recommended in this Report and given the fact that election costs in school divisions and smaller cities would normally be quite modest, the amount of money remaining after actual expenditures are calculated and before the ceiling is encountered could be quite large.

The option to require the candidate to return any surplus contribution in excess of the $500 limit from any single contributor was also reviewed by the Committee.

The Committee recommends that

> **Candidates should not be permitted to solicit or accept funds from any contributor in excess of the $500 contribution limit.**
>
> **Further, any contribution received in excess of the lesser of total actual expenditures or the expenditure limit, should be remitted to the municipality or school board in respect of which the candidate is seeking election.**
>
> **In addition, any anonymous donations received by a candidate at a fund-raising event in excess of $20 from any contributor or over and above the 20 per cent statutory ceiling for anonymous contributions, should also be remitted to the municipality or school board.**

10. Time Period For Contributions

Generally, the advertising and publicity a candidate engages in outside a stated pre-election period is not treated as an election expense in most legislation. However, pre-election spending used to purchase goods or

services (e.g., billboard space) that is used during the campaign period for political purposes is considered an election expense.

Similarly, legislation normally sets out a date after which contributions may not be received and expenditures may not be made. In Ontario's municipal legislation that date is March 31 of the year following the local election. In Quebec, local election expenses returns must be submitted within 90 days of the election.

The Committee recommends that

Candidates should become accountable for election expenses and contributions 120 days prior to election day.

The cut off point for incurring costs or accepting contributions should be 90 days after the date of the election.

Determination of campaign expenses should be based on accrual accounting methods such that any campaign expenditures made prior to 120 days before election day on goods or services used during the election period must be reported as campaign expenses.

11. No Reimbursement of Contributors or Candidates

Reimbursement of election expenses and contributions from the public purse is practised in various forms at all three levels of government in Canada.

At the federal and provincial level, contributors, candidates and parties may recoup a portion of their outlay from the public treasury, for example.

At the local level, there are three variations. Quebec requires the municipality to reimburse local parties or candidates up to 50 per cent of their campaign costs but offers no reimbursement to contributors. Ontario, on the other hand, has a scheme permitting local governments (at their option) to reimburse contributors only. Manitoba, however, permits no reimbursement of candidates or contributors from the local treasury.

In view of the scale of local government in Saskatchewan and the competing demands for scarce local government revenues, the Committee recommends that

No reimbursement of local election contributions or expenditures from public funds should be included in the proposed legislation.

12. Expenditure Limits

The Committee's goal was to set an expenditure limit that would be high enough to reflect normal campaign costs yet low enough to ensure that candidates from a cross-section of the community could seek local elected office. A related objective was to cap election expenditures to discourage attempts to purchase the loyalty of elected representatives.

Some discussion took place on the question of utilizing the same ceiling for the mayor and other council members, since the numbers of electors for both offices are the same in Saskatchewan's municipal electoral system. It was recognized, however, that the mayor's position in larger centres is usually full time, that the mayor's salary exceeds that of other council members, and that his or her political influence normally exceeds that of other council members - due in large to the public perception of the higher status of the mayor's position.

The Committee noted that in the legislation governing Saskatchewan's provincial elections, there is a "northern factor" -- namely, a formula which permits candidates in northern Saskatchewan a higher expenditure limit due to the vast geographic area of northern constituencies. While the southern part of the province is divided into over 100 school divisions, the nine subdivisions (wards) of the Northern Lights School Division contain virtually the entire area of northern Saskatchewan. Accordingly, a special northern factor is needed to boost the expenditure limit of candidates for that school division.

The argument was made earlier in the Report that the limit on campaign contributions should be reviewed periodically and adjusted as necessary for inflation. The same reasoning should be applied to limits on election expenditures.

A formula was developed by the Committee for determining expenditure limits, based on the size of community. The proposed limits for various offices and jurisdictions are set out in Appendix VI, reflecting the Committee's recommendation that

A) The basic expenditure limit for candidates for the position of mayor of Saskatchewan cities should be set at $2,000.

B) The basic limit for other candidates for councils in cities, towns and villages, and candidates for boards of education should be set at $1,000.

C) A per capita expenditure limit for candidates for mayor in urban and northern municipalities should be set at $0.30.

D) A per capita limit of $0.15 should be established for other candidates for municipal councils and school boards.

E) A special northern factor should apply to both the basic expenditure limit and to the per capita limit for candidates for the Northern Lights School Division to permit extra campaign funds in recognition of the large geographic area of this school division.

F) The expenditure limits should be reviewed by the government before each general local election and adjusted as necessary to account for inflation.

13. Expenditure Limits Based on Population

Unlike municipal systems in some other provinces, most municipalities and school divisions in Saskatchewan do not use voters' lists. It would be difficult, therefore, to base the election expenses limit on a per-elector allotment -- hence, the use of population figures in the proposed formula.

Resort villages, however, usually have a small permanent population compared to the seasonal (cottage) residents. Therefore, the population of resort villages would be more accurately reflected by including the seasonal population of cottagers -- e.g., the "non-resident" property owners.

A related concern arose with respect to the per capita expenditure figure for school board candidates. In a number of Saskatchewan communities, the Catholic population is served by a Roman Catholic Separate School Board while other families are served by the public school system and the boundaries of the two systems are normally coterminous. Therefore, the population base of each such school system is only a portion of the total population of the community. A candidate for either school board would,

however, have to campaign throughout the entire division and incur division-wide advertising costs.

An exception is necessary where a small separate school division, serving the Catholic population of a town or village, is situated within the boundaries of a much larger "rural" school division. This is the situation of the small separate school boards in the Towns of Viscount and Biggar, for example. Clearly, the separate school divisions serving these towns should not generate election expenditure limits based on the population of the large public school divisions within which they are located. Nevertheless, campaign expenditure limits in these small Catholic school divisions should be calculated on the total population within their boundaries, not just the Catholic population, for reasons noted above.

The Committee recommends that

A) Election expenditure limits should be based on a per capita, rather than a per elector allotment.

B) Election expenditure limits for resort villages should take into account seasonal population.

C) The per capita expenditure limit for school board candidates should be based on the total population of both separate and public school division where these divisions serve the population of the same community.

D) Where a small Roman Catholic Separate school division is situated within a larger school division, election expenditure limits in respect of each division should be based only on the population residing within the boundaries of each division.

14. Dual Candidacy Expenditure Limits

The Committee notes that in Saskatchewan, the law does not prohibit an individual from standing for election for two or more offices simultaneously. Thus, a mayor or council member has been able to serve at the same time as a Member of the Legislative Assembly (M.L.A.). Similarly, local politicians face no legal barriers in seeking or serving in school board and municipal elective office simultaneously.

Ontario, Quebec and Manitoba's City of Winnipeg Act all prohibit a municipal elected official from serving at the same time as a member of the provincial legislature or Parliament of Canada. While Ontario goes a step further and prohibits dual office holding in municipal and school board offices, Quebec and Manitoba's legislation is silent on holding joint offices.

The Committee examined the concern that a candidate might run for two local offices (e.g., municipal and school) simultaneously and receive the benefit of two expenditure limits. This might give such a candidate an unfair advantage over candidates for a single elective office, particularly if the candidate merely used his or her candidacy for a second office to boost the expenditure limit to assist in being elected to one office -- i.e., the only office in which the candidate is interested.

However, the Committee recognized that holding dual offices is not uncommon in rural and small-town Saskatchewan and, less frequently, in major urban centres. This situation occurs where an individual seeks or holds elected office in a municipality and school board at the same time. Other dual office holding practices include various combinations of council member for a rural municipality, a resort village, an urban municipality and as a member of a school board.

The Committee believes that on balance joint office holding at the local level is often a positive feature. Electing a dedicated citizen to two local offices benefits the local community. Neither local jurisdiction is deprived of his or her energy, talent and wisdom. To deprive voters and candidates of this flexibility would be doing a disservice to local governments in the province.

Therefore, the Committee recommends that

> **Legislation should continue to permit individuals to seek election and to serve in more than one local elected office simultaneously and to receive the benefit of the election expenditure limit in respect of each such office.**

15. Disclosure

The disclosure of campaign contributions over a minimum level casts the clear light of day on the sources of a candidate's campaign revenue. The traditional level at which contributions (including contributions in kind) must be disclosed is $100.

This is the benchmark used by the three provinces with local election finance legislation and it is also the standard for disclosure in the federal and provincial political arenas.

The Committee accordingly recommends that

Any contributions from one source in the aggregate over $100 should be disclosed, and such disclosure should include the name and address of the contributor as well as the total amount of contributions which in the aggregate exceed $100.

16. Reporting of Election Expenditures

The Committee took the view that a simple method must be used in respect of election expenses statements involving small expenditures. The model used in Ontario appeared to be sensible and practical.

It is therefore recommended that

Candidates whose expenditures do not exceed $1,000 be required only to submit a statutory declaration stating that their expenditures do not exceed this amount and disclosing total contributions received as well as contributions received, in the aggregate, in excess of $100.

Candidates whose election expenditures exceed $1,000, but do not exceed $5,000, should be required to file a detailed return of election contributions and expenditures.

Candidates whose election expenditures exceed $5,000, should be required to provide an audited statement of contributions and expenditures.

17. Candidates' Statement of Election Expenses/Contributions

A fundamental feature of election financing legislation is the requirement that registered candidates file election returns providing details of sources of funds and expenditures. A complication exists with respect to local government

because there is no local equivalent to a Chief Electoral Officer -- the federal or provincial official who receives the candidates' (audited) statements, reviews them and initiates any necessary investigation or enforcement proceedings.

Quebec resolves this problem by designating the Chief Electoral Officer for the province as the official to whom local government treasurers must submit the statements of local candidates. Ontario puts the municipal clerk in charge, except where a local tax credit scheme is in effect, in which case a provincial election finance commission acts in a watchdog capacity.

Municipal clerks and in some cases the comparable officials (secretary treasurers) in school divisions must play a role in the nearly 700 local governments (including urban and northern municipalities and school divisions) that hold elections at three year intervals in Saskatchewan.

The Committee recommends that

The municipal clerk (or where school elections are conducted by the school board, the secretary treasurer thereof) should be designated as the official who shall:

- **accept election finance statements from local candidates,**
- **post summaries thereof in a prominent place,**
- **publish these summaries in one or more newspapers circulating in the municipality or school division,**
- **ensure that the election finance statements are available for inspection by any person, and**
- **notify the council or board of education, as the case may be, where a candidate fails to file a return or files a return where expenditures exceed the statutory limit.**

However, the council and the board should have the discretion to appoint another person to receive the statements, post them and ensure their publication.

18. Auditing

It was evident to the Committee that election expenses statements involving significant amounts should be audited. Questions arose as to who is qualified to perform the audit and what amount of expenditure should trigger an audit. As indicated earlier in the Report, a candidate who incurs election expenses of

$1,000 or less would not be required to submit an audited return. He or she would provide a simple statement -- e.g., indicating total expenditures and reporting contributions over $100 along with an affidavit declaring that he or she did not spend more than $1,000.

Similarly, a candidate whose expenditures exceed $1,000 but do not exceed $5,000 also should not be subject to an audit. However, those who expend more than $5,000 on their campaigns should be required to provide an audited statement of contributions and expenditures.

The Committee recommends that

The candidate must appoint an auditor to prepare a statement in respect of election expenses involving expenditures of $5,000 or more.

Further, the auditor must be a professional accountant authorized to perform audits in Saskatchewan.

19. Penalties

After reviewing the legislation of other jurisdictions and contemplating the potentially damaging effects on local democracy of breaches of the proposed legislation, the Committee came to the view that strong sanctions should be provided to deter illegal practices respecting the financing of local elections.

It is therefore recommended that

Penalties should be provided including disqualification from office, ineligibility from office at the next local election and appropriate fines for breach of the legislation respecting the financing of local elections.

20. Initiating Legal Proceedings

The municipal clerk and secretary-treasurer of the school division are employees of the local government. These officials, therefore, would be in a difficult position if the legislation were to require that they point out to the public or courts those candidates who break the law respecting election financing.

Furthermore, many municipal clerks are part-time officials and none are required to have a professional accountant's qualifications.

The Committee therefore examined the pro's and con's of requiring that the municipal clerk or secretary treasurer forward the election expenditure statements to a provincially-appointed official or body such as the Chief Electoral Officer or the Saskatchewan Municipal Board. If this were done, the provincial official or board so designated could be assigned the task of reviewing the statements and initiating action in the courts where improper practices were indicated.

However, the Committee came to the view that designating a central agency of government to oversee local election financing practices would involve additional public expense and possibly require more government staff. This could be avoided if this function were left in the hands of the public and the courts, as is the case under The Urban Municipality Act and The Education Act with respect to conflict of interest situations in local government. Following this precedent, a citizen would make a complaint to a judge, who would determine if a breach of the Act has occurred and where it is so determined, apply the appropriate penalties prescribed by the Act.

The municipal clerk or secretary-treasurer of the school board (depending on which jurisdiction conducts the election) would nevertheless be required to ensure that the election expenses returns are available for public inspection and that the council or board of education, as the case may be, is notified where a candidate fails to file a return or files a return where expenditures exceed the statutory limit.

The Committee recommends that

> **The proposed legislation should provide that any citizen may initiate legal proceedings by complaint to a judge in respect of any breach of the provisions respecting local election financing.**

B. ADVERTISING IN ELECTIONS AND PLEBISCITES

21. Advertising in Election and Plebiscite Campaigns

A very important type of "election" in the Saskatchewan municipal arena is the plebiscite (referendum) vote. A referendum can result from the decision of a council to refer a matter to a vote of electors. Alternatively, it can result from a petition of 5 per cent or more of the electorate requesting a plebiscite. In the latter case, it is binding on the council.

Due in part to the liberal legislation in Saskatchewan respecting municipal petitions and plebiscites, a great many of them take place, often at the time of regular local elections.

Major public controversy has arisen when city councils spend public funds to advertise council's position in the plebiscite campaign. Interest groups claim that it is difficult to fight the public purse. The Committee sees a threat to local democracy resulting from this practice.

There is a related inequity that can result -- i.e., advertising by the council on a referendum issue may aid and abet the campaigns of incumbent council members and at the same time serve to discredit the views of those candidates opposed to council's position on the plebiscite.

The Committee also noted that some school boards engage in "goodwill" advertising by publishing and circulating at public expense, between nomination day and election day, pamphlets or reports extolling the work of the incumbent board. This practice very likely operates to the advantage of candidates who are incumbent board members and to the disadvantage of non-incumbent candidates.

The Committee notes with favour Saskatchewan legislation (section 229 of The Election Act) that forbids government advertising during provincial election campaigns except for strictly informational/emergency purposes. The Committee therefore recommends that

> **Local governments should be prohibited from spending public funds on advertising/publicity during local election campaigns and plebiscite campaigns except for purposes that are of a strictly informational or emergency nature. The current restrictions contained in Saskatchewan provincial election law should serve**

as a model for legislation to prevent this practice by municipal councils and school boards.

22. Third Party Advertising

A related issue is that of "third party advertising" during election campaigns. The concern arises from the practice by issue-oriented groups of advertising not only for or against a public issue relevant to the election, but also for or against particular candidates.

The issue of third party advertising is a major topic of investigation of the Royal Commission on Electoral Reform and Party Financing appointed by the federal government in November, 1989 following a decision of the Alberta Court of Queen's Bench in 1984 that declared federal restrictions on third party advertising invalid (in that province).

Clearly, a candidate who receives the advertised endorsement of well-funded interest groups potentially benefits from an undeclared election expense, unless legislation exists to prevent the practice. Consequently, federal and Saskatchewan provincial legislation, as well as municipal legislation in Ontario and Quebec, prohibits this form of advertising.

The Committee recommends that

Third party advertising that directly supports or opposes local candidates during election campaigns should be prohibited except where the candidate concurs with the advertising and declares the cost thereof as an election expense.

C. ELECTION DEPOSITS AND NUMBER OF SIGNATURES ON NOMINATION FORMS

23. Election Deposits/Number of Names Required on Nomination Forms

The Committee reviewed the issue of deposits required of candidates who seek election to local office as well as the number of names required on nomination forms. Comparisons with other jurisdictions can be found in Appendices I and II.

Deposits are welcomed in some quarters as a device that might prevent "frivolous" candidates from running for local office. While financial deposits are required of federal and provincial candidates, the Committee worried that this rule applied to the local level might serve to discourage some potential candidates from seeking office.

An increase in the number of names required on nomination forms was favoured instead as a measure to ensure that candidates enjoy some measure of support among the voters.

However, in some communities an increase in the number of names would not be practical -- e.g., some municipalities have fewer than 25 citizens.

The Committee therefore recommended that

Local election legislation in Saskatchewan should continue to permit candidates to seek office without submitting a financial deposit.

The number of names required in support of a candidate on the nomination form should be increased from 5 to 25 for council and school board members in all Saskatchewan cities.

However, the minimum number of names required on the nomination form should remain at 5 signatures for all other municipalities and school boards.

LIST OF RECOMMENDATIONS

1. LEGISLATION SHOULD BE PASSED TO REGULATE LOCAL ELECTION EXPENSES IN SASKATCHEWAN.

2. THE PROPOSED LEGISLATION SHOULD APPLY TO ALL URBAN MUNICIPALITIES (CITIES, TOWNS AND VILLAGES), NORTHERN MUNICIPALITIES AND SCHOOL DIVISIONS BUT SHOULD EXCLUDE LOCAL BOARDS OF TRUSTEES.

3. CANDIDATES SHOULD BE REQUIRED TO REGISTER WITH LOCAL ELECTION OFFICIALS DURING A PERIOD BEGINNING 120 DAYS BEFORE ELECTION DAY AND ENDING ON NOMINATION DAY.

4. THE LIMIT ON THE AGGREGATE AMOUNT OF CONTRIBUTIONS FROM ANY CONTRIBUTOR TO ANY CANDIDATE FOR LOCAL OFFICE SHOULD BE SET AT $500. THIS AMOUNT SHOULD BE REVIEWED BY THE GOVERNMENT BEFORE EACH GENERAL LOCAL ELECTION AND ADJUSTED AS NECESSARY TO ACCOUNT FOR INFLATION.

5. EACH CONTRIBUTOR SHOULD BE PERMITTED TO CONTRIBUTE UP TO THE $500 LIMIT TO EACH CANDIDATE FOR LOCAL OFFICE.

6. THE NET PROCEEDS FROM FUND-RAISING EVENTS SHOULD BE COUNTED AS ELECTION CONTRIBUTIONS.

   NO ANONYMOUS CONTRIBUTION OVER $20 SHOULD BE SOLICITED AT SUCH EVENTS.

   FUNDS DERIVED FROM THESE EVENTS SHOULD NOT EXCEED 20 PER CENT OF THE LESSER OF THE TOTAL ACTUAL EXPENDITURES OR THE ELECTION EXPENDITURE LIMIT OF ANY CANDIDATE.

7. CANDIDATES SHOULD BE REQUIRED TO TURN OVER ALL ANONYMOUS CAMPAIGN CONTRIBUTIONS TO THE MUNICIPALITY OR BOARD OF EDUCATION, EXCEPT THOSE RECEIVED AT FUND-RAISING EVENTS.

   ANONYMOUS CONTRIBUTIONS RECEIVED AT FUND-RAISING EVENTS IN EXCESS OF $20 FROM ANY CONTRIBUTOR, OR 20 PER CENT OF THE LESSER OF TOTAL ACTUAL EXPENDITURES OR THE CANDIDATE'S ELECTION EXPENDITURE LIMIT, SHOULD BE LIKEWISE REMITTED TO THE MUNICIPALITY OR BOARD OF EDUCATION.

8. A) CORPORATIONS AND TRADE UNIONS SHOULD BE LIMITED TO THE SAME CONTRIBUTION CEILING THAT APPLIES TO INDIVIDUALS -- I.E., $500 IN THE AGGREGATE TO ANY CANDIDATE.

   B) PROVINCIAL OR FEDERAL POLITICAL PARTIES SHOULD BE PROHIBITED FROM MAKING FINANCIAL CONTRIBUTIONS TO CANDIDATES FOR LOCAL GOVERNMENT OFFICE.

   C) NO CANDIDATE SHOULD BE PERMITTED TO SOLICIT OR ACCEPT DIRECTLY OR INDIRECTLY CONTRIBUTIONS FROM ANY INDIVIDUAL RESIDENT OUTSIDE SASKATCHEWAN, FROM ANY CORPORATION THAT DOES NOT CARRY ON BUSINESS IN SASKATCHEWAN OR FROM ANY TRADE UNION THAT DOES NOT HOLD BARGAINING RIGHTS FOR EMPLOYEES IN SASKATCHEWAN.

   D) THE CONTRIBUTION BY A CANDIDATE TO HIS/HER OWN CAMPAIGN SHOULD NOT BE LIMITED EXCEPT BY THE CEILING ON CAMPAIGN EXPENDITURE.

      HOWEVER, THE CONTRIBUTION BY A CANDIDATE'S SPOUSE SHOULD BE LIMITED TO THE SAME MAXIMUM AMOUNT ($500) THAT APPLIES TO ANY OTHER CONTRIBUTOR.

9. CANDIDATES SHOULD NOT BE PERMITTED TO SOLICIT OR ACCEPT FUNDS FROM ANY CONTRIBUTOR IN EXCESS OF THE $500 CONTRIBUTION LIMIT.

   FURTHER, ANY CONTRIBUTION RECEIVED IN EXCESS OF THE LESSER OF TOTAL ACTUAL EXPENDITURES OR THE EXPENDITURE LIMIT SHOULD BE REMITTED TO THE MUNICIPALITY OR SCHOOL BOARD IN RESPECT OF WHICH THE CANDIDATE IS SEEKING ELECTION.

   IN ADDITION, ANY ANONYMOUS DONATIONS RECEIVED BY A CANDIDATE AT A FUND-RAISING EVENT IN EXCESS OF $20 FROM ANY CONTRIBUTOR OR OVER AND ABOVE THE 20 PER CENT STATUTORY CEILING FOR ANONYMOUS CONTRIBUTIONS SHOULD ALSO BE REMITTED TO THE MUNICIPALITY OR SCHOOL BOARD.

10. CANDIDATES SHOULD BECOME ACCOUNTABLE FOR ELECTION EXPENSES AND CONTRIBUTIONS 120 DAYS PRIOR TO ELECTION DAY.

THE CUT OFF POINT FOR INCURRING COSTS OR ACCEPTING CONTRIBUTIONS SHOULD BE 90 DAYS AFTER THE DATE OF THE ELECTION.

DETERMINATION OF CAMPAIGN EXPENSES SHOULD BE BASED ON ACCRUAL ACCOUNTING METHODS SUCH THAT ANY CAMPAIGN EXPENDITURES MADE PRIOR TO 120 DAYS BEFORE ELECTION DAY ON GOODS OR SERVICES USED DURING THE ELECTION PERIOD MUST BE REPORTED AS CAMPAIGN EXPENSES.

11. NO REIMBURSEMENT OF LOCAL ELECTION CONTRIBUTIONS OR EXPENDITURES FROM PUBLIC FUNDS SHOULD BE INCLUDED IN THE PROPOSED LEGISLATION.

12. A) THE BASIC EXPENDITURE LIMIT FOR CANDIDATES FOR THE POSITION OF MAYOR OF SASKATCHEWAN CITIES SHOULD BE SET AT $2,000.

B) THE BASIC LIMIT FOR OTHER CANDIDATES FOR COUNCILS IN CITIES, TOWNS AND VILLAGES, AND CANDIDATES FOR BOARDS OF EDUCATION SHOULD BE SET AT $1,000.

C) A PER CAPITA EXPENDITURE LIMIT FOR CANDIDATES FOR MAYOR IN URBAN AND NORTHERN MUNICIPALITIES SHOULD BE SET AT $0.30.

D) A PER CAPITA LIMIT OF $0.15 SHOULD BE ESTABLISHED FOR OTHER CANDIDATES FOR MUNICIPAL COUNCILS AND SCHOOL BOARDS.

E) A SPECIAL NORTHERN FACTOR SHOULD APPLY TO BOTH THE BASIC EXPENDITURE LIMIT AND TO THE PER CAPITA LIMIT FOR CANDIDATES FOR THE NORTHERN LIGHTS SCHOOL DIVISION TO PERMIT EXTRA CAMPAIGN FUNDS IN RECOGNITION OF THE LARGE GEOGRAPHIC AREA OF THIS SCHOOL DIVISION.

F) THE EXPENDITURE LIMITS SHOULD BE REVIEWED BY THE GOVERNMENT BEFORE EACH GENERAL LOCAL ELECTION AND ADJUSTED AS NECESSARY TO ACCOUNT FOR INFLATION.

13. A) ELECTION EXPENDITURE LIMITS SHOULD BE BASED ON A PER CAPITA, RATHER THAN A PER ELECTOR ALLOTMENT.

B) ELECTION EXPENDITURE LIMITS FOR RESORT VILLAGES SHOULD TAKE INTO ACCOUNT SEASONAL POPULATION.

C) THE PER CAPITA EXPENDITURE LIMIT FOR SCHOOL BOARD CANDIDATES SHOULD BE BASED ON THE TOTAL POPULATION OF BOTH SEPARATE AND PUBLIC SCHOOL DIVISION WHERE THESE DIVISIONS SERVE THE POPULATION OF THE SAME COMMUNITY.

D) WHERE A SMALL ROMAN CATHOLIC SEPARATE SCHOOL DIVISION IS SITUATED WITHIN A LARGER SCHOOL DIVISION, ELECTION EXPENDITURE LIMITS IN RESPECT OF EACH DIVISION SHOULD BE BASED ONLY ON THE POPULATION RESIDING WITHIN THE BOUNDARIES OF EACH DIVISION.

14. LEGISLATION SHOULD CONTINUE TO PERMIT INDIVIDUALS TO SEEK ELECTION AND TO SERVE IN MORE THAN ONE LOCAL ELECTED OFFICE SIMULTANEOUSLY AND TO RECEIVE THE BENEFIT OF THE ELECTION EXPENDITURE LIMIT IN RESPECT OF EACH SUCH OFFICE.

15. ANY CONTRIBUTIONS FROM ONE SOURCE IN THE AGGREGATE OVER $100 SHOULD BE DISCLOSED, AND SUCH DISCLOSURE SHOULD INCLUDE THE NAME AND ADDRESS OF THE CONTRIBUTOR AS WELL AS THE TOTAL AMOUNT OF CONTRIBUTIONS WHICH IN THE AGGREGATE EXCEED $100.

16. CANDIDATES WHOSE EXPENDITURES DO NOT EXCEED $1,000 BE REQUIRED ONLY TO SUBMIT A STATUTORY DECLARATION STATING THAT THEIR EXPENDITURES DO NOT EXCEED THIS AMOUNT AND DISCLOSING TOTAL CONTRIBUTIONS RECEIVED AS WELL AS CONTRIBUTIONS RECEIVED, IN THE AGGREGATE, IN EXCESS OF $100.

CANDIDATES WHOSE ELECTION EXPENDITURES EXCEED $1,000, BUT DO NOT EXCEED $5,000, SHOULD BE REQUIRED TO FILE A DETAILED RETURN OF ELECTION CONTRIBUTIONS AND EXPENDITURES.

CANDIDATES WHOSE ELECTION EXPENDITURES EXCEED $5,000, SHOULD BE REQUIRED TO PROVIDE AN AUDITED STATEMENT OF CONTRIBUTIONS AND EXPENDITURES.

17. THE MUNICIPAL CLERK (OR WHERE SCHOOL ELECTIONS ARE CONDUCTED BY THE SCHOOL BOARD, THE SECRETARY TREASURER THEREOF) SHOULD BE DESIGNATED AS THE OFFICIAL WHO SHALL:

- ACCEPT ELECTION FINANCE STATEMENTS FROM LOCAL CANDIDATES,
- POST SUMMARIES THEREOF IN A PROMINENT PLACE,
- PUBLISH THESE SUMMARIES IN ONE OR MORE NEWSPAPERS CIRCULATING IN THE MUNICIPALITY OR SCHOOL DIVISION,
- ENSURE THAT THE ELECTION FINANCE STATEMENTS ARE AVAILABLE FOR INSPECTION BY ANY PERSON, AND
- NOTIFY THE COUNCIL OR BOARD OF EDUCATION, AS THE CASE MAY BE, WHERE A CANDIDATE FAILS TO FILE A RETURN OR FILES A RETURN WHERE EXPENDITURES EXCEED THE STATUTORY LIMIT.

HOWEVER, THE COUNCIL AND THE BOARD SHOULD HAVE THE DISCRETION TO APPOINT ANOTHER PERSON TO RECEIVE THE STATEMENTS, POST THEM AND ENSURE THEIR PUBLICATION.

18. THE CANDIDATE MUST APPOINT AN AUDITOR TO PREPARE A STATEMENT IN RESPECT OF ELECTION EXPENSES INVOLVING EXPENDITURES OF $5,000 OR MORE.

    FURTHER, THE AUDITOR MUST BE A PROFESSIONAL ACCOUNTANT AUTHORIZED TO PERFORM AUDITS IN SASKATCHEWAN.

19. PENALTIES SHOULD BE PROVIDED INCLUDING DISQUALIFICATION FROM OFFICE, INELIGIBILITY FROM OFFICE AT THE NEXT LOCAL ELECTION AND APPROPRIATE FINES FOR BREACH OF THE LEGISLATION RESPECTING THE FINANCING OF LOCAL ELECTIONS.

20. THE PROPOSED LEGISLATION SHOULD PROVIDE THAT ANY CITIZEN MAY INITIATE LEGAL PROCEEDINGS BY COMPLAINT TO A JUDGE IN RESPECT OF ANY BREACH OF THE PROVISIONS RESPECTING LOCAL ELECTION FINANCING.

21. LOCAL GOVERNMENTS SHOULD BE PROHIBITED FROM SPENDING PUBLIC FUNDS ON ADVERTISING/PUBLICITY DURING LOCAL ELECTION CAMPAIGNS AND PLEBISCITE CAMPAIGNS EXCEPT FOR PURPOSES THAT ARE OF A STRICTLY INFORMATIONAL OR EMERGENCY NATURE. THE CURRENT RESTRICTIONS CONTAINED IN SASKATCHEWAN PROVINCIAL ELECTION LAW SHOULD SERVE AS A MODEL FOR LEGISLATION TO PREVENT THIS PRACTICE BY MUNICIPAL COUNCILS AND SCHOOL BOARDS.

22. THIRD PARTY ADVERTISING THAT DIRECTLY SUPPORTS OR OPPOSES LOCAL CANDIDATES DURING ELECTION CAMPAIGNS SHOULD BE

PROHIBITED EXCEPT WHERE THE CANDIDATE CONCURS WITH THE ADVERTISING AND DECLARES THE COST THEREOF AS AN ELECTION EXPENSE.

23. LOCAL ELECTION LEGISLATION IN SASKATCHEWAN SHOULD CONTINUE TO PERMIT CANDIDATES TO SEEK OFFICE WITHOUT SUBMITTING A FINANCIAL DEPOSIT.

THE NUMBER OF NAMES REQUIRED IN SUPPORT OF A CANDIDATE ON THE NOMINATION FORM SHOULD BE INCREASED FROM 5 TO 25 FOR COUNCIL AND SCHOOL BOARD MEMBERS IN ALL SASKATCHEWAN CITIES.

HOWEVER, THE MINIMUM NUMBER OF NAMES REQUIRED ON THE NOMINATION FORM SHOULD REMAIN AT 5 SIGNATURES FOR ALL OTHER MUNICIPALITIES AND SCHOOL BOARDS.

APPENDICES

APPENDIX I

DEPOSITS REQUIRED BY CANDIDATES UPON NOMINATION

Municipal	Deposit Required	Conditions for Return
Nova Scotia	$200, however, a bylaw may specify that a lesser deposit or no deposit is required.	Deposit is returned if: - candidate signs affidavit that all advertising was removed within 7 days of polling day, - candidate is elected, - candidate received at least half the number of votes received by elected candidate, - candidate is acclaimed or died before polls close. Half the deposit is returned if candidate received less than half the number of votes received by elected candidate.
Prince Edward Island	$10	Deposit is returned if candidate received half or more of the votes cast for the candidate elected.
Quebec	None	
Ontario	None	
Manitoba	None	
Saskatchewan	None	
Alberta	Council may by by-law require every nomination to be accompanied by a cash deposit in the amount fixed in bylaw: - if population is greater than 100,000, maximum deposit is $500 - for all other municipalities, maximum deposit is $100.	Deposit is returned if: - candidate is elected, - candidate received at least half the number of votes received by elected candidate, - candidate died before close of polls.
British Columbia	None	

Provincial	Deposit Required	Conditions for Return
Saskatchewan	$100	Deposit is returned if: - candidate is elected, - candidate received at least half the number of votes received by elected candidate, - candidate died before close of polls.
Federal		
Canada	$200	Deposit is returned if candidate received at least 15 per cent of total votes cast.

APPENDIX II

NUMBER OF NAMES REQUIRED ON NOMINATION FORM

Municipal	Signatures Required	Source
Quebec	Number is based on population - 5 if population of municipality is less than 5,000 - 10 if population of municipality is greater than 5,000 and less than 20,000 - 25 in all other cases	S. 160 An Act Respecting Elections and Referendums in Municipalities
Ontario	10 electors whose names are on voter's list or have made application to be on the list and who are entitled to vote in the election	S. 36(1) The Municipal Elections Act
Manitoba	Where a municipality is divided into wards - by 25 electors of the ward, or by not less than 1 per cent of the electors of the ward, whichever is less, to minimum of 2. Where a municipality is not divided into wards - by 25 electors of the municipality, or by not less than 1 per cent of the electors of the municipality, whichever is less, to minimum of 2.	S. 46 The Local Authorities Election Act
Alberta	By at least 5 electors eligible to vote in that election and resident in the municipality on the date of signing nomination papers	S. 27 The Local Authorities Election Act
British Columbia	By 2 duly qualified electors of the municipality	S. 94 The Municipal Act
Saskatchewan	By 5 voters of the municipality for school board, urban and northern municipal elections By 5 voters of the ward, if municipality is so divided, for school board, urban and northern municipal elections	S. 46 The Local Government Election Act
	By at least 2 voters of the division or municipality for rural elections	S. 103 The Rural Municipality Act

Provincial	Signatures Required	Source
Saskatchewan	By a minimum of 4 electors	S. 37 The Election Act
Federal		
Canada	By a minimum of 25 electors	S. 81 The Canada Elections Act (as revised 1985)

APPENDIX III - Quebec's Local Election Financing Legislation

Name of Statute

An Act Respecting Elections and Referendum in Municipalities.

Municipalities Covered

Mandatory for municipalities over 20,000 population (53 municipalities covered).

Optional for municipalities under 20,000.

Limit on Donations

Limit of $750 per elector.

Limit on Expenditures

Mayor - $4,500 plus

a) $0.35 per elector for municipalities with 1,000 to 20,000 electors.
b) $0.60 per elector for municipalities with 20,000 to 100,000 electors.
c) $0.45 per elector for municipalities with 100,000 or more electors.

Example: Limit for mayor in municipality of 120,000 electors (the size of Saskatoon) = $58,500.

Alderman - $2,250 plus $0.35 per elector in wards with more than 1,000 electors.

Example: Limit for alderman in election in ward with 120,000 electors (the size of Saskatoon) - $42,000.

Reimbursement

The municipality reimburses a portion of campaign expenses to candidates.

Electors receive no reimbursement for their contributions to local candidates.

Municipal candidates are paid 50 per cent of their campaign costs up to the statutory ceiling if they obtain 20 per cent of the votes cast.

Example: the mayor in a city the size of Saskatoon could spend up to about $60,000, of which he would be reimbursed $30,000 by the municipality from municipal funds.

Any surplus funds raised by a candidate but not spent must be donated to the municipality or to charity or other specified purpose.

Disclosure

Total campaign contributions must be disclosed by candidates.

For contributions over $100, the name and address of the donor and the amount must be disclosed.
Total amount of anonymous donations made at political rallies must be disclosed.

Audit

The municipal Treasurer audits the local election expense returns, under the authority of the Chief Electoral Officer of Quebec.

Returns must be published in a newspaper.

Penalties/Policing

Chief Electoral Officer investigates complaints and takes action under the Summary Offenses Act.

Offenses are punished by fines from $100 to $2,500 or disqualification from council.

Local Political Parties

Some 60 local political parties operate officially in Quebec municipalities.

To get official recognition and funding, a local party must field candidates in 1/3 of council seats.

Advertising Restrictions

Third party advertising (i.e., on behalf of a local candidate or party) must be declared as an election expense.

Advocacy advertising by local governments (i.e., expenditure of local public funds to support or oppose a position in a referendum) is not prohibited.

APPENDIX IV - Ontario's Local Election Financing Legislation

The Statute

Ontario's local election expenses legislation is set out in 45 sections in it's Municipal Elections Act.

This new legislation came into effect on June 6, 1988.

Local Governments Covered

Limits and disclosure are mandatory for all municipalities and school boards.

Tax rebate scheme is optional - i.e., at the option of the local government.

Very few local governments have opted for the tax rebate scheme, as it involves municipal funding.

Limits on Contributions

Limit of $750 per elector (or corporation or union).

Limits on Expenditures

Mayor	-	$5,500 plus $0.50 per elector
	-	(e.g., for Saskatoon, the comparable limit would be $65,500).
Alderman	-	$3,500 plus $0.50 per elector
	-	(e.g., for Saskatoon, the comparable limit would be $63,500).

Reimbursement

For municipalities that opt in, the contributor obtains a municipal tax credit/rebate to a maximum of $350.

Contributor gets credit/rebate of 75 per cent of first $100 donated and a lesser percentage for contributions over $100.

Disclosure

Candidates must file financial statements with the municipal clerk.

For contributions over $100, the name and address of the contributor and the amount contributed must be disclosed.

Audit

Candidates must appoint auditors, if expenses exceed $10,000.

Audited statements are filed with the municipal clerk (and with the provincial Commission on Election Finances if the municipality has a tax credit/rebate scheme).

Penalties/Policing

Fines and disqualification.

Role of Parties

No funding provisions are made for local parties.

Political parties at the provincial/federal level may not contribute to local candidates.

APPENDIX V - Manitoba's Municipal Election Expenses Legislation

The Statute

Enabling in nature - assented to November 3, 1989. Comprises only 6 sections of the City of Winnipeg Amendment Act.

Municipalities Covered

Applies to Winnipeg only. As of May, 1990, Winnipeg had not yet passed a bylaw under this legislation - but must do so before the next city election.

Limit on Contributions

To be set by council. Contributions over limit cannot be accepted.

Limit on Expenditures

To be set by council.

Reimbursement of Candidates/Electors

None.

Disclosure

Rules for disclosure to be set by council.

Penalties/Policing

Fines up to $1,000 and disqualification.

Local Parties

Not formally recognized.

APPENDIX VI

Proposed Election Expenses Limits - Urban and Northern Municipalities and School Divisions

Formula: Candidates for mayor of cities - $2,000 basic plus $0.30 per capita[1]; for mayor of all other urban/northern municipalities - $1,000 basic plus $0.30 per capita; for alderman of all urban/northern municipalities and for member of school board - $1,000 basic and $0.15 per capita[2].

Type of Municipality/ School Division	Mayor	Alderman	School Board[3]
Large City (Regina - Pop. 175,064)	$54,519	$27,260	$27,260
Medium Sized City (Moose Jaw - Pop. 35,073)	$12,520	$ 6,261	$ 6,261
Small City (Melfort - Pop. 6,078)	$ 3,823	$ 1,912	$ 1,912
Large Town (Kindersley - Pop. 4,912)	$ 2,474	$ 1,737	N/A
Small Town (Dundurn - Pop. 522)	$ 1,157	$ 1,078	N/A
Large Village (Frontier - Pop. 483)	$ 1,145	$ 1,072	N/A
Small Village (Colgate - Pop. 44)	$ 1,013	$ 1,007	N/A
Large Rural School Div. (Buffalo Plains - Pop. 15,600 - 2,600 per ward)[4]	N/A	N/A	$ 1,390
Small Rural School Div. (Radville - Pop. 3,305 - 661 per ward)	N/A	N/A	$ 1,099
Town Separate School Div.[5] (St. Gabriel's - Pop. 2,626)	N/A	N/A	$ 1,394

For footnotes, see reverse page.

1 Population for municipalities based on 1986 Census of Canada. Most Saskatchewan municipalities do not use voters' lists. Therefore, the formula used by other provinces ($ x no. of electors) cannot be adopted readily.

2 Population for city school divisions is assumed to be the population of the entire city. The public and separate (Catholic) school boards in cities each represent only part of the population of a city. However, candidates for both boards must campaign (e.g., advertise) throughout the city and thereby incur city-wide costs.

3 The chairperson of a school board is selected after the election by other board members -- there is no equivalent for mayor during the election.

4 The population of rural school divisions is estimated (pop. = 5 x school enrolment) and is divided among school wards (sub-divisions). Therefore, the expenditure limits for candidates for rural school boards is based on the average population of wards.

5 For the few small Roman Catholic Separate school divisions in small towns located within the boundaries of a larger rural public school division, population is assumed to be the total population (Catholic and other) within the boundaries of that separate division.